Rs. 3104 crores as against 15. 53 million tonnes valued at Rs. 2058 crores during 1986-8?.

(c) Oil imports have been necessitated by the gap between domestic supply and demand Crude production during currant year is likely to be marginally less that of last year mainly on account
of fall in production in aging oil fields of Oil India Limited in Assam and Bombay High Field having already reached its pleatue level of production. Increase in consumption is on account of general growth in economy, higher consumption by transport section, use of more captive power generating sets by industrial sector in view of power shortage etc.

Contract for exploration and exploitation of Petrol

692. SHRI DINKARRAO GOVINDRAO PATIL: SHRI GURUDAS DAS GUPTA:

Will the Minister of PETROLEUM AND NATURAL GAs be pleased to state:

(a) whether ONGC has signed a number of contracts for the exploration and exploitation of petrol in three blocks; and

(b) if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) and (b) So far five contracts have been signed by the Government of India and ONGC with foreign oil companies for exploration and exploitation of petroleum in the following blocks: —

Name of Block	Contract Signed With
KG-OS-I	Chevron International Ltd. & Texaco Exploration lndia Inc.
KG-OS-VII	-Do-
P-OS-II	-Do-
KG-OS-IV	International Petroleum (Bermuda) Ltd.
KK-OS-VI	BHP Petroleum (India) Inc.

The main features of these contracts are:

1. Foreign oil companies will explore for petroleum at their own risk & cost.

2. If there is a commercial discovery. ONGC will have the option to participate forty percent in development and production of the discovery.

3. If ONGC decides to participate, it will contribute 40 per cent of develop ment and production costs and remaining 60 per cent will be borne by the foreign oil companies

4. ONGC will be entitled to the corresponding share of oil produced for its participation.

5. The foreign oil company's share of oil will be available to the Government at international market price till India reaches self-sufficiency.

6. After recovery of costs the contractors will share petroleum with the Government on a sliding scale basis. Government's share of petroleum will increase as the economics of the project improves.

7. The contractor will pay tax at the rate of 50 per cent on its profits.

8. ONGC will not contribute to exploration costs but it will be associated with the foreign company's work right from the beginning.

9. The entire data acquired by the foreign companies will be available to ONGC.

10. The assets acquired for permanent use in petroleum operations would become ONGC's property once the cost recovery for suoh assets is claimed by the foreign oil companies, without any further payment by ONGC.